

## TERMS AND CONDITIONS OF SALE, MANUFACTURE AND SERVICE

### WHEREAS:

- **Equipment** and **Services** sold, manufactured, fabricated, repaired, modified, or otherwise provided to **Customer** by the **Company** shall be on following terms and conditions. ("**Terms and Conditions of Sale, Manufacture and Service**") and **Common Terms** only.
- The **Terms and Conditions of Sale, Manufacture and Service** are herein referred to, individually and collectively as "**Terms and Conditions**".

### COMMON TERMS OF SALE, MANUFACTURE AND SERVICE

#### 1 DEFINITIONS

The definitions set forth below shall apply to the applicable **Terms and Conditions**.

**"Affiliated company or Affiliate"**: Any company or other entity that controls or is controlled by or is under common control with one of the Parties. For the purpose of this definition, control shall mean the right to exercise 50% or more of the voting rights in the appointment of the directors or similar representatives of such company or entity.

**"Claims"**: all causes of action, demands of any kind, court costs and expenses including legal fees, consequential, direct or indirect damages, demands, fines, liabilities, losses, penalties or proceedings.

**"Contract"**: any contract between the **Company** and the **Customer** for the sale, purchase and rental of **Equipment**, the manufacture or repair of **Equipment**, the fabrication of **Equipment**, the inspection of **Equipment** and the provision of any other services that may be specified in a **Contract** incorporating these **Terms and Conditions**.

**"Consequential Damages"**: shall include but not be limited to, loss of production, loss of revenue, loss of profits or anticipated profits, loss of business or business opportunity, damages of any kind for failure to meet deadline, loss of use, rig down-time expenses, well control expenses, sub-surface damage of any kind, surface damage of any kind, loss of hole, re-drilling expenses, reservoir or formation loss or damage, pollution damage and/or wreck or debris removal expenses, damage to environment, ecology, marine life and water contamination.

**"Company"**: Pioneer Oilfield Supplies Limited Group Companies.

**"Customer"**: the party contracting to buy or hire the **Equipment** and/or **Services**.

**"Day"**: a calendar day starting from 0000 hrs to 2400 hrs Local Time.

**“Equipment”**: all machinery, materials, merchandise, products, supplies, consumables, thread protectors, tools (down-hole, surface or other physical item), and parts thereof that are supplied, sold, rented, leased or otherwise provided by the **Company**, and/or provided in connection with **Services** performed by the **Company**.

**“Force Majeure”**: any act or event including but not limited to blockades, embargoes, riots, strikes lockouts, labour and civil disturbances, Acts of God, storms, fire, flood, earthquakes, unavoidable accidents, sabotage, terrorism, insurrections, acts of war (declared or undeclared), acts of any governmental or military agency acting under actual or assumed authority or any cause or events or circumstances beyond the control of either Party.

**“Good Oil and Gas Field Practices”**: the standards of quality, safety and overall efficiency used by an experienced contractor when carrying out their activities under contract to or otherwise on behalf of a reputable international oil operator company.

**“Harmful Waste”**: any injurious, poisonous, toxic or noxious substance and, in particular, includes nuclear waste emitting any radioactive substance if the waste is in such quantity, whether with any other consignment of the same or of different substance, as to subject any person to the risk of death, fatal injury or incurable impairment of physical or mental health.

**“Operating Day Rental Price”**: a price per calendar day or part thereof chargeable for the period that **Tools** or **Equipment** is (a) made up in the drill string or (b) if applicable to the type of **Tools** or **Equipment**, in use on surface at **Work Site**.

**“Party or Parties”**: either **Customer** or the **Company** individually or **Customer** and the **Company** collectively as appropriate.

**“Price List”**: a document approved and issued by the **Company** that enumerates the pricing or method of calculating the price for the supply, sale, or other provision of **Equipment** or **Services** by the **Company** to **Customer**.

**“Quotation”**: a commercial offer, open for a specific period of time for acceptance by the **Customer**, to supply, sell, otherwise provide **Equipment** or **Services** by the **Company** to the **Customer**.

**“Service or Services or Work”**: all operations to be performed by **Company Personnel**, subcontractors, or agents, including the resulting efforts of **Equipment** supplied by the **Company** pursuant to a **Contract**.

**“Company Personnel”**: personnel working in the organisation of, or an Affiliate of, the **Company**, its and their subcontractors.

**“Special Tools”**: **Tools** or **Equipment** not considered by the **Company** to be normally stocked **Tools** or **Equipment**.

**“Standby Rental Price or Standby Rental Charges or Standby Charges”**: a price per calendar day or part thereof chargeable for the period that **Tools** or **Equipment** is (a) not made up in the drill string or (b) is in transit between the **Company** service centre and **Work Site** or (c) is specifically held for **Customer** use at the **Company** service centre.

**“Tool(s)”**: see **Equipment**.

**“Work Site”**: the lands, waters and other places on, under, in or through which the **WORK** is to be performed including onshore installations, construction equipment, and places where **Equipment, Tools**, materials or supplies are being obtained, stored or used for the purposes of the **Contract**.

Unless the context otherwise requires, the singular shall include the plural and the plural the singular, and words importing persons shall include their respective firms and corporations.

## **2 GENERAL**

- 2.1 The **Terms and Conditions** constitute the entire Contract (the “**Contract**”) between **Customer** and the **Company** and cancel and supersede any prior understandings, Contracts, negotiations and discussions between **Customer** and the **Company** with respect to the transactions contemplated by these **Terms and Conditions**.
- 2.2 There are no representations, warranties, terms, conditions, undertakings or understandings, express or implied, between **Customer** and the **Company** other than those expressly set forth in this **Contract**.
- 2.3 These **Terms and Conditions** may not be amended or modified in any respect except as agreed in writing by the **Company**.
- 2.4 Headers are for ease of reference only and do not affect the interpretation or construction of this **Contract**.

## **3 CONDITION OF THE EQUIPMENT**

- 3.1 Subject to the provisions of these **Terms and Conditions**, **Equipment** supplied by the **Company** will comply with the specification defined in the order acknowledgement.
- 3.2 Unless the **Parties** have expressly agreed in writing to modify the condition then, save as set out in Clause 11 without prejudice to the provisions of Clause 3.1 above, any condition or warranty, statement or undertaking as to the quality of the Equipment or their fitness or suitability for any purpose however or whatever expressed or which may be implied by statute, custom of the trade or otherwise is hereby excluded.
- 3.3 Without prejudice to the foregoing, no statement or undertaking contained in any British Standard, Euro norm, ISO Recommendation or other standard or technical specification as to the suitability of the Equipment for any purpose shall give rise to any legal liability.

## **4 OBJECTION NOTICE AND PREVAILING RIGHTS**

- 4.1 All provision of **Equipment** or **Services** to **Customer** is made on these **Terms and Conditions** only, notwithstanding different or conflicting terms and conditions contained within any of the **Customer’s** documentation which are hereby objected to and which will not be accepted as being binding upon the **Company**. In the event of a conflict between these **Terms and Conditions** and the provisions of any of the **Customer’s** printed or electronic form of purchase orders, work or service orders, job or delivery tickets, the **Customer** expressly agrees that the provisions of these **Terms and Conditions** shall prevail.

5 **INVALIDITY AND SEVERABILITY**

- 5.1 If any provision of this **Contract** shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, the invalidity or non-enforceability of such provision shall not affect the other provisions of this **Contract** and all provisions not affected by such invalidity or non-enforceability shall remain in full force and effect.

6 **JURISDICTION**

- 6.1 The **Contract** will be governed by and construed, interpreted and enforced in accordance with the non-exclusive jurisdiction of the laws of the Country in which the business which is the subject of these Terms and Conditions is being conducted.

7 **DISPUTE RESOLUTION**

- 7.1 Any dispute, controversy or claim arising out of or in connection with the **Contract**, or the breach or validity thereof, which is not settled amicably by **Customer** and **The Company** within thirty (30) days of first arising will generally be settled by arbitration under the Arbitration Act 1996 (England & Wales) through a suitably qualified and appointed Sole Arbitrator forming an arbitral tribunal of one (1).
- 7.2 The Arbitrator shall be mutually appointed by the **Parties** or by the President of the Chartered Institute of Arbitrators, London at the request of a **Party** if the **Parties** fail to agree a mutually appointed Arbitrator within 7 days of commencement of dispute resolution by arbitration.
- 7.3 The costs of the arbitration proceedings (including legal fees and costs) shall be borne in the manner determined by the arbitrator. Nothing in these **Terms and Conditions** shall inhibit either **Party** from taking action in a court in any relevant jurisdiction.

8 **PAYMENT TERMS**

- 8.1 Terms of payment shall be as stated on the **Company's Quotation**.
- 8.2 All payments, unless otherwise specified on the face of the invoice, shall be made in the currency of the **Quotation** without any deductions or setoff. If no currency is specified then it shall be considered to be US dollars.
- 8.3 **Customer** shall settle the invoice either through delivery of certified cheque or electronic transfer to the bank account specified in the invoice of the **Company**. If bank account is not specified in the invoice **Company** shall provide bank details upon request from the **Customer**.
- 8.4 All duties, taxes, and such like costs, not specifically included in the **Quotation** or on the face of the invoice shall be paid by the **Customer**.
- 8.5 If payment terms are not adhered to, in addition to its other legal rights, the **Company** may defer or cancel further transactions under a **Contract**. Deferral or cancellation of transactions by the **Company** due to **Customer's** default in adhering to payment terms, will not amount to non performance of Contract by the **Company**.



- 8.6 If either Company or Customer institutes suit to enforce any right or obligation against the other arising from this Agreement, the prevailing party shall be entitled to recover all expenses or litigation, attorney fees, and court costs.

9 **CONSEQUENTIAL DAMAGES**

- 9.1 The **Company** shall not be responsible for, nor shall it bear any liability under this **Contract** for incidental, indirect or **Consequential Damages** of any kind.

10 **FORCE MAJEURE**

- 10.1 The **Company** shall not be liable for any special, direct, indirect and/or **Consequential Damages** for a failure to perform its obligations under a **Contract** where such failure or non-compliance is caused by an event of **Force Majeure** or any other occurrence beyond the reasonable control of the **Company**.

- 10.2 In the event that the **Company** is affected by **Force Majeure** or any such other occurrence the time for performance of its obligations shall be automatically extended by the time equal to the duration of the **Force Majeure** or such other occurrence plus time taken for conditions to come to operating normalcy.

11 **NO WARRANTIES**

The Company represents and warrants that all Services shall be performed in a good and workmanlike manner in accordance with good oilfield practices; all personnel shall be fully trained and shall perform the Work competently and safely; that Company has the expertise to perform the Services properly and shall exercise due diligence in performing the Services; and that Company will comply with all applicable laws, statutes, codes, rules and regulations, which are now or may become applicable to the Work covered by this Agreement or arising out of the performance of such Work.

- 11.1 No warranty is given with respect to any information, **Equipment, Tools** or **Services** provided by the **Company** save where expressly stated in the **Terms and Conditions**.

- 11.2 The **Customer** accepts that any assistance provided by the **Company**, by way of technical or engineering information and/or the supply of **Equipment, Tools** or **Services** is advisory only and that the **Company** shall not be liable for any claims arising from **Customer** use of such advisory information, **Equipment, Tools** or **Services**, except as otherwise specifically provided herein.

12 **NO GUARANTEE OF PROVISION OF EQUIPMENT OR SERVICES**

- 12.1 Even though a price may be listed for **Equipment, Tools** or provision of **Service**, the **Company** does not guarantee that such **Equipment, Tools** or **Service** will actually be available in any or all of the **Company's** service centres or other physical locations.

13 **TAXES, WITHHOLDINGS AND OTHER DEDUCTIBLES OR IMPOSITIONS**

- 13.1 Unless otherwise expressly included in the quotation, all prices, rates, day-rates and other elements of chargeable value are quoted exclusive of customs fees, import duties, and any and all taxes, fees, charges and duties of whatever kind (including but not limited to

withholding taxes, sales, and excise), and the **Customer** shall be responsible for exclusively bearing such costs and their payment thereof to respective Authorities without recourse or recharge to the **Company**. Except however, all taxes imposed on Customer's services that are included in the consideration to be paid by Company to Customer.

14 **CHANGE WITHOUT NOTICE**

14.1 All **Terms and Conditions**, prices, rates, day-rates and other elements of chargeable value are subject to change without notice.

15 **INSURANCE**

15.1 The **Customer** and the **Company** agree that each **Party** shall maintain suitable insurance to a level sufficient to meet their liabilities under any transaction contemplated by a **Contract**.

16 **TERMINATION**

16.1 Termination of a **Contract** shall not relieve the **Customer** of any liability incurred prior to termination, and upon such termination the **Customer** shall settle such liabilities and immediately return any rental **Equipment** or **Tools** in their possession to the **Company**.

17 **PATENTS, COPYRIGHTS, TRADEMARKS AND TRADE SECRETS**

17.1 **Company** excludes design as part of scope of work undertaken.

17.2 **Company** shall defend, indemnify, release and hold harmless Customer and Customer Affiliates to ensure that the products self manufactured and sold by it do not infringe upon any valid patent, copyright, property right or trademark.

17.3 The **Customer** warrants, represents and covenants that the design it may provide to the **Company** does not infringe directly or indirectly, in whole or in part, any valid patent, copyright, trade secret, trademark, trade name, or other intellectual property right, and **Customer** agrees to release, defend, protect, indemnify and hold the **Company**, their affiliates, and their respective directors, officers, employees, contractors, agents, suppliers, users, successors, and assigns, harmless from and against any and all costs (including attorney fees and court costs), expenses, fines, penalties, losses, damages, and liabilities arising out of any alleged or actual patent, copyright, trade secret, trademark, trade name, or other intellectual property right infringement or other claim, demand or action arising from or related to the design of the Goods.

18 **TIME OF PERFORMANCE**

18.1 Subject to force majeure or occurrence of other events that may hinder ability of the **Company** to perform in the normal course, **Company** shall take reasonable care to deliver **Equipment** or **Service** within the time agreed in the order acknowledgement.

18.2.1 In the event of a foreseen delay, **Company** shall inform **Customer** of the expected delay and shall take all reasonable measures to shorten the delay through all reasonable means.

- 18.3 A delay shall not provide automatic right of cancellation of order to **Customer** nor shall entitle **Customer** compensation, unless such delay is substantial and has occurred without cause.

## **19 CONFORMING WORK**

- 19.2 Company shall undertake work to conform to the description, plans, specifications, and as the case may be sample, provided by Customer and confirmed with Order Acknowledgement by the Company. Company may accept at its discretion, any deviation or substitution without prior written agreement of Customer at additional cost.

- 19.3 If the words "or equal" are used in a Contract, the proposed equal must be approved in writing in advance by Customer. There shall be no substitutes or shipment of more or less than the quantity specified without prior written approval of Customer. If Work received does not conform to those ordered, or if more or less than the quantity ordered are shipped, Customer may reject such shipment in whole or in part by giving notice thereof to Company.

## **20 THE COMPANY DESIGN, BUILD AND MODIFICATIONS**

- 20.2 Where **Equipment** or **Tool** is designed by the **Company**, the **Company** reserves the right to modify, without notice, the design, method of build and/or the process for modification of any or all **Equipment** or **Tool** sold by it.
- 20.3 Company shall defend, indemnify, release and hold harmless Customer and Customer Affiliates to ensure that the products designed-manufactured-and-sold by it do not infringe upon any valid patent, copyright, property right or trademark.

## **21 CUSTOMER'S DESIGN, BUILD AND MODIFICATIONS**

- 21.1 Where the **Company** builds and/or modifies **Equipment** in accordance with the **Customer's** drawings, plans, specifications or other information, the **Customer** will defend, indemnify, release and hold harmless **Company** and **Company's Affiliates** from and against any and all claims by the **Customer** or any other natural or corporate person, such claims including but not limited to claims for direct or indirect, special and/or **Consequential Damages**, loss of or damage to property at surface or sub-surface, destruction or economic loss of any kind including property rights, infringement of any patent, design copyright or trade name or mark, death, injury or incapacitation arising, directly or indirectly, or in any manner connected with such **Equipment**,

## **22 LIMITED WARRANTY**

- 22.1.1 The **Company** warrants that **Equipment** or **Tools** designed and built by it is substantially free from defect for a period of one (1) calendar year from the date of ex-works first delivery to Customer provided always;
- a) That the **Customer** operates the **Equipment** or **Tools** within the design characteristics and conditions specific to the **Equipment** or **Tools** and
  - b) **Customer** operates the **Equipment** or **Tools** in accordance with the **Company's** written operating instructions supplied to the **Customer** and



- c) the warranty does not apply to **Equipment** or **Tools** that has been repaired or otherwise worked upon and
- d) the warranty does not apply to **Equipment** or **Tools** that has been modified or subjected to improper operation/maintenance/handling/storage/installation or replacement with non **Company** approved spare parts and
- e) the warranty does not apply to models or samples supplied to the **Customer** by the **Company** as illustrations or examples of general properties of **Equipment** or **Tools** and
- f) the warranty does not apply to **Equipment** or **Tools** built by **The Company** from designs or plans provided by third parties or the **Customer** and
- g) the **Company's** liability for breach of this warranty shall be expressly limited to the repair or replacement, at its sole discretion, of any **Equipment** or **Tools** or parts of **Equipment** or **Tools** which prove to be defective during the period of warranty and that **The Company's** liability to repair or replace constitutes agreed compensation for any breach of this warranty and the stated remedies for breach hereof shall be in lieu of any and all other warranties, express or implied, including without limitation warranties for merchantability, or fitness for any particular purpose, and in lieu of liability for the **Company's** negligence or fault and that the **Customer** agrees the **Company** shall not be liable for incidental or **Consequential Damages** of any kind, and
- h) notice of defective **Equipment** or **Tool** must be given in writing to the **Company** and that the **Customer** or user of the **Equipment** or **Tool** must keep the **Equipment** or **Tool** in an unaltered condition for examination by the **Company**.
- i) All warranty claims must be made within ten (10) days after discovery, and no discovery after a calendar year from the date of ex-works first delivery as referred in clause 3.1 above shall be permitted.

## **23**      **LIMITATION OF LIABILITY**

Notwithstanding anything contained to the contrary in the Contract, the Company Group's maximum cumulative liability to the Customer Group, arising out of the Contract shall not exceed one hundred percent (100 %) of the Contract value and where if the Contract extends more than 12 months, maximum cumulative liability shall be limited to one hundred percent (100%) of annual Contract value, provided that such limitation shall be without prejudice to any specific limits of liability and indemnities, as agreed in the Contract.

## **24**      **RETURNS**

- 24.1 No **Equipment** or **Tools** purchased from the **Company** may be returned for credit unless expressly agreed to in writing beforehand by the **Company** and providing always that the **Equipment** or **Tool** is unused, in substantially new condition and considered by the **Company** to be a normally stocked **Equipment** or **Tool**.
- 24.2 A restocking fee plus freight, if applicable, will be quoted by the **Company**. The **Company** will give its written consent only when such restocking charges have been agreed in writing by the **Customer**.
- 24.3 No **Equipment** or **Tool** or material will be accepted for return after sixty (60) days after the date of ex-works first delivery.



## **25 CANCELLATION/CHANGES**

- 25.1 Cancellation of any order already placed by the **Customer** and accepted by the **Company** can only be made with the **Company's** written consent. Any cancellation will incur a cancellation charge which will be notified in writing to the **Customer** by the **Company**. Only upon acceptance and payment of the cancellation charge will the **Company** give its written consent.
- 25.2 Changes to orders placed and accepted can be changed only with the **Company's** written consent. Any changes accepted by the **Company** may incur a "cost-of-change" charge which will be notified in writing to the **Customer** by the **Company**. Only upon acceptance and payment of the "cost-of-change" charge will the **Company** give its written consent. The **Company** reserves the right to change the design and build of **Equipment** and **Tools** without notice but such change shall not entitle the **Customer** to cancel or change any order already placed without cost.

## **26 QUOTATIONS AND PRICES**

- 26.1 **Quotations** are valid for thirty (30) **Days** from date of **Quotation** and their validity may be extended only at **The Company's** sole option.
- 26.2 All **Quotations**, unless specifically stating otherwise, are made on an Ex Works basis from the **Company's** designated manufacturing point or the appropriate **Company** service centre depending upon the location from which the **Equipment** or **Tool** is being shipped.
- 26.3 All **Quotations** are in the currency stated in the quote, and failing such statement, must be considered to be in US dollars.
- 26.4 Prices for standard **Equipment** and/or **Tools** shall be the prices shown on the **Company's** applicable **Price List** or **Quotation**.
- 26.5 Requests for quotes for non-standard **Equipment** or **Tools** should be sent to the appropriate **Company** office.
- 26.6 Prices are based on the **Company's** standard procedures and any additional requirement requested by the **Customer** shall be charged at the **Company's** standard rates. An invoice for the revised price(s) shall be issued upon delivery.

## **27 HANDLING, FREIGHT AND SHIPMENT**

- 27.1 The **Customer** should arrange, be responsible and pay for, handling, provision of cranes, slings & dogs, freight and shipment, duties, levies, clearance, taxes, insurance and any other related or pertinent expenditure of **Equipment** or **Tools** which has been notified to the **Customer** as being available for collection. The same shall apply for return of **Equipment** or **Tools** by the **Customer** to **Company's** nominated location. If the **Customer** requires the **Company** to arrange for handling, transportation, shipment and clearance, the **Company** may agree at its sole discretion to provide such service in a reasonable manner and time frame, at the **Customer's** risk, and the **Company** shall charge the **Customer** on the basis of all incurred costs plus a 15% administrative mark up.

## **28     DELIVERY**

- 28.1 The **Company** will use reasonable efforts to have **Equipment** or **Tools** ready for collection or shipment by the date agreed to by the **Parties**, provided always that the **Company** has received all of the required and necessary **Customer** information, including but not limited to, approval of quotes, drawings, amendments, changes, or prices. However it is hereby agreed between the **Customer** and the **Company** that the **Company** shall have no liability for **Claims**, damages or costs incurred as a result of its late delivery of **Equipment** or **Tools** regardless of cause.
- 28.2 The **Company's** obligation in respect of delivery time shall be deemed to have been met upon notification by the **Company** to the **Customer** of readiness for dispatch of goods.

## **29     TITLE AND RISK OF LOSS**

- 29.1 Risk of loss will pass to the **Customer** when the **Equipment** or **Tool** is ready for delivery EX WORKS basis at **Company's** location from which the **Equipment** or **Tool** is to be shipped.
- 29.2 During any period of storage the **Customer** must maintain all-risk property insurance on **Equipment** or **Tool** at its replacement value, or be self-insured for same, and the **Company** will not be responsible or liable for deterioration and/or loss of **Equipment** or **Tool** resulting from weather conditions, theft, physical damage howsoever caused or other events out-with the **Company's** reasonable control.
- 29.3 Title to **Equipment** or **Tool** will pass from the **Company** to the **Customer** only when the **Company** has received full payment without any deductions, for the **Equipment** or **Tool** purchased by the **Customer** and the **Company** has no claims or dues whatsoever from the Customer.

## **30     Code of Conduct & Business Ethics**

- 30.1 Both Parties shall at all times ensure that the actions of its employees and representatives comply with all applicable laws, statutes and regulations. Nothing in the Master Agreement shall be interpreted as requiring either Party to do or refrain from doing anything which would result in a breach or violation of any applicable laws, statutes or regulations.
- 30.2 Both Parties agree that they will not directly or indirectly in any way that relates to this Master Agreement:
- 30.2.1 Give, offer, pay, promise or authorise any financial or other advantage or anything else of value to any other person or organization (including, without limitation, giving or offering anything of value to a government official or representative or a political party official or candidate for political office, or to anyone acting on behalf of a public international organization, or to anyone employed by a government-owned or controlled company or other entity (together defined as "Governmental and Political Appointees")) with the intent to exert improper influence over the recipient, induce the recipient to violate his or her duties, secure an improper advantage, or improperly reward the recipient for past conduct;

- 30.2.2 Offer, promise, pay, give, authorize, request or receive an improper advantage, or accept an offer thereof, in connection with a position, office or assignment;
- 30.2.3 Request, receive or accept, for the benefit of itself or anyone else, any financial or other advantage, or anything else of value, as an inducement or a reward for violating a duty of loyalty to the other Party, or improperly performing a function that relates in any way to the Master Agreement or to the other Party; or
- 30.2.4 Otherwise be involved in any activity, practice or conduct that would be in breach of the requirements of the Master Agreement in relation to ethics and anti-corruption and/or which would constitute an offence under any applicable laws in relation to ethics and anti-corruption (including, without limitation the UK Bribery Act 2010 or the U.S. Foreign and Corrupt Practices Act of 1977).
- 30.2.5 Otherwise be involved in any activity, practice or conduct that would be in breach of the requirements of the Master Agreement in relation to ethics and anti-corruption and/or which would constitute an offence under any applicable laws in relation to ethics and anti-corruption (including, without limitation the UK Bribery Act 2010 or the U.S. Foreign and Corrupt Practices Act of 1977).
- 30.2.6 Be involved in any activity, practice or conduct that would be in breach of the requirements of the Master Agreement in relation to child Labour, slavery, servitude and forced or compulsory Labour or human trafficking which would constitute an offence under any applicable laws in relation to ethics and Labour laws (including, without limitation, the UK Modern Slavery Act 2015);
- 30.2.7 Be involved in any activity, practice or conduct that would be in breach of the principles set out in the Pioneer Engineering Code of Conduct / Responsibility.
- 30.3 If the Customer breaches any provision of this Clause or Pioneer Engineering has any reason to suspect that the Customer has breached any provision of this Clause then, without prejudice to its other rights and remedies, Pioneer Engineering shall be entitled to terminate this Master Agreement (or part thereof) immediately on notice to the Customer.

### **31 Conflict of Interest**

- 31.1 This Terms and Conditions may be subject to the United States Foreign Corrupt Practices Act (the "FCPA") and similar legislation. Erbil Pioneer for Supplies of Oilfield Equipment Ltd represents to \_\_(Customer Name)\_\_\_\_\_ that no director, officer, employee or agent of Erbil Pioneer for Supplies of Oilfield Equipment Ltd has given or received or shall give or receive any commission, fee, rebate, excessive gift or entertainment, or other payment or remuneration of significant cost or value to or from the government of Iraq, or any agency, ministry, department, bureau, political participant or official thereof, in connection with the business undertaken through this cooperative arrangement, which gift or payment would constitute an illegal act under the FCPA or other applicable law. Likewise, \_\_\_(Customer Name)\_\_\_\_\_ represents to Erbil Pioneer for Supplies of Oilfield Equipment Ltd that no director, officer, employee or agent of \_\_\_(Customer Name)\_\_\_\_\_ has given or received, or shall give or receive any similar payments, which would produce similar results of illegality under the laws of Iraq



- (i) Erbil Pioneer for Supplies of Oilfield Equipment Ltd, their respective directors, officers, employees or agents or
- (ii) the government of Iraq, or any agency, ministry, department, bureau, political participant or official thereof, in connection with the business to be undertaken through this sales representation.

31.2 Customer Name) \_\_\_\_\_ and Erbil Pioneer for Supplies of Oilfield Equipment Ltd shall promptly notify the others in the event of any violation of the preceding paragraph by an employee or representative of either \_\_\_\_ (Customer Name) \_\_\_\_\_ or Erbil Pioneer for Supplies of Oilfield Equipment Ltd and take such corrective action as is requested by the non-violating party. In the event such corrective action is not taken as requested within sixty (60) days, the non-violating party may terminate Agreement between 2 parties immediately by providing notice to the violating party.

31.3 Further, the violating party shall indemnify and hold the other party harmless from and against any and all fines, penalties and other sanctions imposed by any government as a result of the breach of the first paragraph of this Article by the indemnifying party (violating party), its directors, officers, employees or agents.

## **32 SANCTIONS ILLEGALITY**

32.1 The CONTRACTOR confirms it has obtained all consents and corporate and regulatory / governmental approvals and authorizations as such are required by its respective constitutive acts, internal policies and applicable laws, as well as any other consents and clearances necessary to perform all of its obligations and enjoy its corresponding rights and enter into, perform and complete the terms and obligations agreed under this CONTRACT. To the best of CONTRACTOR's knowledge, there are no facts or circumstances which would or could likely give rise to suspension or a premature termination of the CONTRACT, or otherwise limit or prevent the CONTRACTOR from duly entering into and performing the CONTRACT.

32.2 If it becomes illegal pursuant to any sanctions laws applicable to the CONTRACTOR or the COMPANY enacted, issued or amended after the date of this CONTRACT, for the CONTRACTOR or the COMPANY to perform any obligations under this CONTRACT (a "**SANCTIONS ILLEGALITY EVENT**"),

- the PARTY that wishes to be excused from performing the relevant obligation(s) shall promptly notify the other PARTY upon becoming aware of that event;
- each PARTY shall in consultation with the other PARTY, use its best endeavors and take all reasonable steps to mitigate the circumstances which give rise to such SANCTIONS ILLEGALITY EVENT including (but not limited to):
  - a) promptly applying for any authorization that would permit performance under the CONTRACT, in accordance with clause 33.1 above;
  - b) complying with any other obligations under this CONTRACT which it is not illegal to perform;
  - c) transferring all or part of its rights and obligations under the CONTRACT to any third party proposed by the other PARTY, who is not affected by the Sanctions Illegality Event, to the extent such transfer is not prohibited by applicable law;

- d) together with the other PARTY, working on the means of alternative performance of the obligations in the manner not prohibited by the SANCTIONS LAWS.
- 32.3 Each PARTY shall promptly notify the other PARTY upon becoming aware of the occurrence of any event or circumstance that mitigates a Sanctions Illegality Event and/or of the Sanctions Illegality Event ceasing to continue;
- 32.4 Each PARTY shall promptly following the date on which the Sanctions Illegality Event ceases to be continuing, to recommence the performance of its obligations under and in accordance with the terms of the CONTRACT;
- 32.5 In case of any dispute arises in connection with interpretation and/or applicability of sanctions laws, a legal opinion from a reputable international law firm with experience advising in respect of the relevant sanctions and recognized in the Legal500 / Chambers ratings for EU or the US shall be obtained by the PARTY that wishes to be excused from performing the relevant obligation(s) in respect of such dispute(s).
- 32.6 The CONTRACTOR shall invoice Company for the services rendered up to the date of issue of notification of discontinuation of the service. Although the CONTRACTOR will take all necessary steps to complete the works in progress at the time of sanctions becoming effective, COMPANY's Liability to CONTRACTOR shall be to pay the value of the service already rendered to the COMPANY, and all reasonable and unavoidable costs incurred by the CONTRACTOR for materials it ordered for the service (which shall be transferred or assigned to COMPANY upon payment therefore) up to the date of issue of notification of discontinuation of the service after deducting for any payments made in advance for these services.